

<p align="center">DEPARTMENT FOR MENTAL HEALTH AND MENTAL RETARDATION SERVICES</p> <p align="center">POLICIES AND PROCEDURES STANDARDS OF OPERATIONS</p>	Policy Number DMHMRS 06-01	Total Pages 4
	Date Issued September 17, 2007	Effective Date September 17, 2007
References 31 USC 3729-3733 KRS 11A.010, 11A.020, 61.102, 61.103, 194A.500, 194A.505, 205.8451, 205.8483 519.060	Subject Service Reimbursement and False Claims	

Statement of Policy and Purpose

It shall be the policy of the Department for Mental Health and Mental Retardation Services (DMHMRS) to provide appropriate services to individuals seeking treatment for Mental Health, Mental Retardation and Substance Abuse. DMHMRS shall implement procedures for accurate billing for reimbursement of services.

Procedure

A. Verification of Payor Source and Services

1. Entities providing treatment and services, on behalf of DMHMRS, shall verify sources of payment eligibility of all individuals during the admission process.
2. Entities providing treatment and services, on behalf of DMHMRS, shall implement a utilization review process. The review process shall be comprised of treatment professionals assigned to the individual service recipient. The review process shall document the most appropriate treatment and services for the individual and monitor continued benefits eligibility.

B. Accountability

Public servants conducting official duties, on behalf of DMHMRS, shall maintain policies and procedures on fiscal management. Fiscal management policies shall be implemented to prevent fraud, waste and abuse. Fiscal management policies and procedures shall include:

1. accounting procedures; and
2. billing process for any payment source for reimbursement of services.

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C. Training

Employee education about false claims shall be provided by all entities providing treatment and services on behalf of DMHMRS. Components of the employee education shall include:

1. The content and purpose of this policy as a part of any new employee orientation.
2. The content and purpose of this policy to current staff in a manner and format to be determined by the Director of the service provider. Implementation shall be accomplished in a manner that is not an interruption to the operations and service delivery.
3. Any service provider that maintains an employee handbook shall address the false claims education that may include this policy as a reference or at a minimum how to obtain the false claims act information.

D. False Claims

1. False or fraudulent claims shall be reported and investigated when it is believed that the claim was knowingly filed as false or fraudulent.
2. Knowingly filing a false or fraudulent claim means to act in deliberate ignorance of the truth or to act in reckless disregard of the truth.
3. False or fraudulent claims shall include:
 - a. Billing for services not actually performed.
 - b. Billing for a more expensive service than was actually rendered.
 - c. Billing for several services that should be combined into one billing.
 - d. Multiple billing for the same service.
 - e. Dispensing generic drugs and billing for brand name drugs.
 - f. Providing unnecessary services.
 - g. Altering documents that create a false report or claim
 - h. Creating or maintaining false cost reports or claims.
 - i. Using an official position or office to obtain financial gain.

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E. Reporting and Investigations

1. False or fraudulent claims as outlined in section D, of this policy, shall be reported to the Office of Inspector General at 1-800-372-2970 or to the Office of the Attorney General at 1-877 ABUSE TIP (1-877-228-7384).
2. The Office of Inspector General shall prepare a written description of the reported information and immediately make referral to:
 - a. The Office of the Attorney General; and
 - b. The state Medicaid Fraud Control Unit
3. The Office of Attorney General shall investigate any reports of false or fraudulent claims. The Attorney General in the course of the investigation may issue, in writing, a demand to:
 - a. produce any documentary material for inspection and copying;
 - b. answer in writing written interrogatories with respect to such documentary material;
 - c. give oral testimony concerning such documentary material or information; or
 - d. furnish any combination of such material, answers or testimony.

F. Penalties

1. Any public servant or entity substantiated to have provided false or fraudulent claims is subject to federal civil and state penalties.
2. Federal civil penalties may be not less than \$5000, and not more than \$10,000.
3. State penalties may include conviction of a Class D felony.


G. Employee Protections

1. A public servant shall not be subject to reprisals, directly or indirectly, for reporting in good faith any suspected fraudulent act.

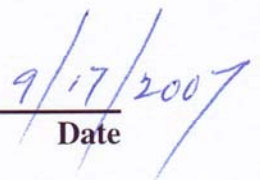
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2. Any employee who testifies in an official proceeding shall be afforded the same protections and rights as the employee who makes the disclosure of a false or fraudulent claim.
3. The Director of the service provider may:
 - a. require that an employee inform him of any official request for information; and
 - b. impose disciplinary action on an employee that discloses information known to be false or confidential under any other provision of law.

H. This policy shall be reviewed and revised as necessary.



Commissioner



Date